DOCUMENT RESUME

ED 325 997 EC 232 500

AUTHOR Patten, Sharon K.; Boom, Mary
TITLE Financing of Supported Employment for Persons with Severe Disabilities. Policy Analysis Series, No. 30.
INSTITUTION Minnesota Governor's Planning Council on Developmental Disabilities, St. Paul.
PUB DATE Jan 90
NOTE 39p.
AVAILABLE FROM Minnesota Governor's Planning Council on Developmental Disabilities, State Planning Agency, 300 Centennial Office Building, 658 Cedar St., St. Paul, MN 55155 (free).
PUB TYPE Reports - Descriptive (141)

EDRS PRICE MF01/PC02 Plus Postage.
DESCRIPTORS *Financial Policy; *Financial Support; *Policy Formation; Program Budgeting; Program Costs; Public Support; *Severe Disabilities; State Programs; *Supported Employment
IDENTIFIERS *Minnesota

ABSTRACT

This study identified various direct and indirect strategies for financing supported employment, based on discussions with individuals in Minnesota and across the United States, reviewed supported employment efforts in selected states, conducted a review of literature, and explored related initiatives in other health and human service areas. Key strategies identified include: (1) setting specific benchmarks or objectives for converting the existing system to one more oriented to providing training and employment in integrated settings; (2) setting a cap or moratorium on expenditures for sheltered work, work activity, adult day programs, and related services; (3) appropriating new state dollars earmarked for supported employment and reallocating current public dollars; (4) establishing segmented or sequential financing arrangements; (5) pooling dollars from several sources; (6) targeting efforts to make maximum use of provisions under existing public programs such as Supplemental Security Income and the Job Training Partnership Act; (7) establishing state and local interagency agreements; and (8) creating an entity supported by all key state agencies to provide training, technical assistance, and related activities. Each of these strategies is discussed, along with examples from selected states. Possible next steps for Minnesota are explored, and a list of 26 references is included. (JDD)

**********
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
**********

ED325997

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)
☑ This document has been reproduced as received from the person or organization originating it.
☐ Minor changes have been made to improve reproduction quality.
• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

# Financing of Supported Employment for Persons with Severe Disabilities

Policy Analysis Series No. 30

Minnesota Governor's Planning Council on Developmental Disabilities
State Planning Agency
300 Centennial Office Building
658 Cedar Street
St. Paul, Minnesota 55155

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY
Coleen Wieck
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

EC232500

# POLICY ANALYSIS SERIES

# FINANCING OF SUPPORTED EMPLOYMENT FOR PERSONS WITH SEVERE DISABILITIES

NO. 30

Contents


| | | Page |
|---|---|---|
| I. | Introduction | 1 |
| II. | Initiatives to Enhance Financing of Supported Employment | 3 |
| III. | Outline of Strategy Areas for Minnesota | 25 |
| IV. | References | 34 |


## I. INTRODUCTION

Vocational and employment services over the last few years have experienced a growing shift from services in segregated settings toward supported employment strategies. While supported employment efforts have focused on persons with severe developmental disabilities, supported employment can also provide opportunities for persons with mental illness, traumatic head injury, and other chronic disabling conditions.

Definitions of what constitutes supported employment may vary. The 1986 amendments of the Rehabilitation Act refers to supported employment as:

> . . . competitive work in an integrated work setting for individuals who, because of their handicaps, need on-going support services to perform that work. Supported work is limited to individuals with severe handicaps for whom competitive employment has not traditionally occurred, or individuals for whom competitive employment has been interrupted or intermittent as the result of a severe disability (Federal Register, August 14, 1987, p. 30546).

While there is no uniformly accepted definition of supported employment, core components emerge from the various definitions. These components include: (1) employment in an integrated environment, (2) paid work, (3) publicly subsidized ongoing support

MINNESOTA GOVERNOR'S PLANNING COUNCIL ON DEVELOPMENTAL DISABILITIES, STATE PLANNNG AGENCY, 300 CENTENNIAL OFFICE BUILDING, 658 CEDAR STREET, ST. PAUL, MINNESOTA 55155. (612) 296-4018 (VOICE) AND (612) 296-9962 (VOICE AND TDD).

as needed through an individual's employment life, (4) severe disability which results in the need for such ongoing support (Wehman, 1986), and (5) a specified minimum number of hours worked per week.

Various approaches of supported employment have been developed. These include individual placement, enclave, mobile crew, and bench work models. Of these options, individual placement has received considerable attention. This approach places and trains individuals at integrated work sites and involves ongoing support, provided by a job coach, to the employee and employer. The job coach may provide the support over the entire work life of the individual. The enclave approach places a group of persons with disabilities in an industrial or business site where they receive training and supervision among nondisabled individuals. The mobile crew is generally a small, single purpose business where small crews (about five employees) and a supervisor perform various service jobs in the community. Finally, under the bench work model, a service agency operates a small, single purpose business that contracts with industry for work, is located in a community setting, and emphasizes intensive training. About 8 to 15 persons are served through this approach (Mank et al., 1986).

Persons served by supported employment are generally seen as those individuals with the most severe disabilities who have not traditionally participated in vocational rehabilitation or employment. For the most part, they are people who are enrolled in adult day programs (Laski and Shoultz, 1987). These programs are referred to as developmental achievement centers (DACs), day activity centers, and/or day treatment centers. Laski and Shoultz argued that these individuals often receive day program services not because they are needed, but rather because the individuals have been excluded from employment oriented programs.

While supported employment is regarded as a vocational option targeted at those with the most severe disabilities, there is some evidence to suggest that a "creaming" phenomenon occurs in supported employment initiatives. That is, persons with only mild or moderate disabilities are receiving employment placements. While this approach attempts to insure success for service providers, employers, and clients, it creates one of the typical deinstitutionalization traps. That is, persons with the most severe disabilities are the last to leave traditional programs. One rationale used to deny access to supported employment of persons with severe disabilities is one which claims

that these individuals will always need special facilities and segregated programs. These individuals have come to be incorrectly perceived as a "residual" population (Wieck, 1988).

Within this context, the major purpose of this study was to identify various approaches or strategies for financing supported employment. After discussions with individuals in Minnesota and across the country, reviewing supported employment efforts in selected states, reviewing existing literature, and exploring related initiatives in other health and human service areas, several direct and indirect strategies and mechanisms were identified.

## II. INITIATIVES TO ENHANCE FINANCING OF SUPPORTED EMPLOYMENT

As noted earlier, there has been a shift over the past few years in vocational and employment services from segregated settings toward strategies that provide on-the-job training, ongoing support and employment in integrated settings. This shift has been characterized by four issues. First, vocationally related services have traditionally been provided in segregated settings such as sheltered workshops and developmental achievement centers. Second, the focus has been on getting people ready to work in integrated settings and moving through a developmental continuum of job readiness activities. Unfortunately, few people moved through this developmental continuum. Third, persons with the most severe disabilities have frequently been relegated to traditional day programs. Fourth, traditional vocational services are time limited. Such an approach does not address the ongoing support needs of persons with severe disabilities.

States are utilizing various mechanisms or approaches in an attempt to alter the balance and direction of the current system of vocational and employment services. Through discussions with persons in Minnesota and across the country, exploration of supported employment activities in select states, review of current literature, and the examination of related initiatives in other health and human service areas, several strategies were identified. Some of these approaches directly relate to financing, while others play a more indirect yet essential role to funding supported employment initiatives. In many instances, two or more of these approaches are used in combination. The key strategies identified include the following:

- Setting specific benchmarks or objectives for converting the existing system to one more oriented to providing training and employment in integrated settings.

- Setting a cap or moratorium on expenditures for sheltered work, work activity, adult day program and related services.

- Appropriating new state dollars earmarked for supported employment, and reallocation of current public dollars.

- Establishing segmented or sequential financing arrangements.

- Pooling dollars from several sources to fund supported employment.

- Targeting efforts to make maximum use of provisions under several existing public programs that can help finance supported employment, e.g., Supplemental Security Income, Social Security Disability Insurance, Targeted Jobs Tax Credit, and the Job Training Partnership Act.

- Establishing state and local interagency agreements.

- Creating an entity, e.g., quasi-public corporation, supported by all key state agencies to provide training, technical assistance, and related activities.

- Establishing a minimum uniform data sets across agencies.

Each of these mechanisms is discussed below and in some instances is illustrated with one or more examples from selected states.

## A. Establishing Specific Benchmarks or Objectives

### 1. Overview

Many states are either considering or currently implementing various approaches to convert or reallocate public monies used to fund sheltered work, work activity, and adult day program services to supported employment initiatives that emphasize training and paid work in an integrated setting. The time frame for such conversions vary.

One approach involves state and local planning that addresses areas such as philosophy and values, mission

statement, uniform service definitions and populations to be served, and overall goals, e.g., five-year state-level goals. New plans frequently include specific benchmarks or objectives for reducing the number of individuals in segregated settings and increasing the number in supported employment. These objectives, established through state legislation and/or administrative policy, must cut across all service delivery levels. These initiatives are catalysts for moving the system in a desired direction and set the tone for change. Two examples that illustrate this approach are described below.

2. Examples

Washington: In 1982, the state of Washington began a ten-year change process in its state, county and community service system. At that time, guidelines were established that directed local communities to develop a range of services for persons with developmental disabilities that would result in employment and more typical experiences. The impetus for this process came from research, legislation, and increased expectations by consumers, advocates, and professionals. "All of these suggested that people with developmental disabilities are far more capable than once thought" (Washington State Division of Developmental Disabilities, 1986).

The 1987-89 Guidelines for County Services from the Division of Developmental Disabilities, Department of Social and Health Services, described the types of services counties could purchase with state funds, the approaches to planning and development of services to be used by the counties, and the process for monitoring and evaluation. These guidelines were aimed at assisting the service delivery system to:

— Address the varied need and abilities of persons with developmental disabilities;

— Increase participation in employment, valued community settings, and other rewarding life experiences;

— Respect the diversity of experience, resources, and economic/social make up of Washington's counties and communities;

— Result in meaningful outcomes in the lives of the persons served (p. i).

Prior to the 1987-89 biennium, the Washington Division of Developmental Disabilities (DDD) was involved in intensive planning with county and agency representatives. Based on these deliberations and assuming that funding would continue at the current level, the DDD established two basic goals for 1987-89:

— To increase the number of adults who are in supported employment by shifting 400 currently served adults from workshops and other services into supported employment; and

— To maintain the current level and quality of child development, community integration, senior citizens, and a specialized industry services (except for persons moving into supported employment) (p. 1).

The DDD defined supported employment to include four key components: (1) paid employment of at least 20 hours a week; (2) occurs in a setting where there are no more than eight workers who have an identified disability; (3) employees receive some type of publicly supported, job related ongoing assistance such as extra training and supervision, job modification, counseling, transportation assistance, or other support services; and (4) employees have frequent and regular opportunities during the work day to interact with nondisabled individuals who are not paid staff.

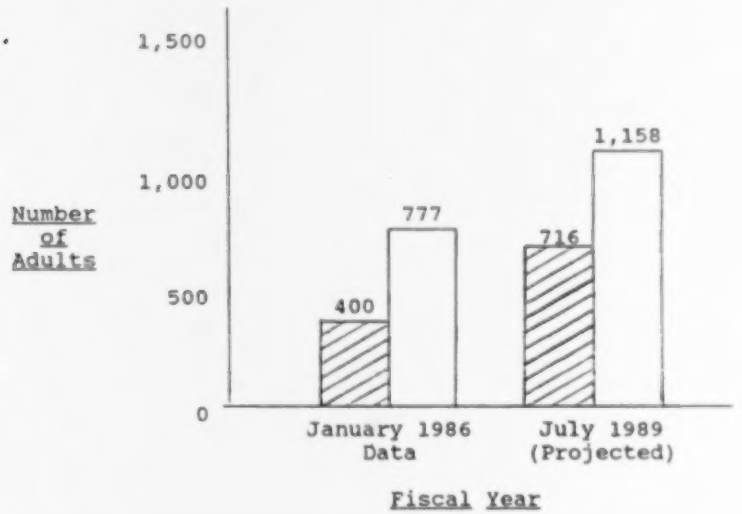
The DDD's position on supported employment was that it:

> . . . promises to greatly improve the quality of life of people with developmental disabilities. It will enable them to increase their earnings, friendships, and community acceptance. As a system, Washington is, therefore, committed to work in supported employment settings . . . Division policy calls for such movement into supported employment, away from specialized industries and nonemployment programs, to continue in the 1990s (p. 2).

Figure 1 shows the increase in numbers of county consumers who are expected to enter supported employment during 1987-1989. Of the 3,445 adults receiving county

day or employment services (January 1986 data), 777 adults or almost one-fourth (23 percent) are in some type of supported employment, e.g., in individual job program, mobile crew, and enclave. About one-half meet the four criteria for supported employment set forth by DDD. This represents 12 percent of all adults participating in county/DDD employment and day programs.

Figure 1
1987-1989 Goals for Increased Supported Employment Opportunities in Washington State




KEY:

- Total Adults Supportively Employed (by State/Federal Criteria).
- Total Adults Participating in "Supported Employment" Service Models.

Source: From 1987-1989 Guidelines for County Developmental Disabilities Services, (p. 3), by the Washington State Department of Social and Health Services, Division of Developmental Disabilities, November 1986.

Figure 1 also indicates the local service system's goals during 1987-89, assuming that there will be no changes in current county funding levels. Just over one-third (34 percent) of all adults who receive county contracted

services are expected to receive some form of supported employment by June 1989. Furthermore, the supported employment of at least 716 persons (62 percent) or 21 percent of all adults who receive services must meet all of the criteria for hours worked, integration, and ongoing support services.

Connecticut: Connecticut's Department of Mental Retardation (DMR) developed a five-year plan (1988-1992) which set goals, objectives, and a resource allocation strategy. Operational plans that delineate the way these goals and objectives would be met, given local conditions and budget constraints, were to be developed by DMR's regions and training schools.

One of the eight goals involved increasing the participation of individuals with mental retardation in the state's labor market. Objectives pertaining to day services included:

- Increasing the number of persons in vocational programs who work in integrated settings by at least 10 percent each year through FY92.
- Increasing the number of persons in supported employment who work in individual supported jobs by 10 percent each year through FY92.
- Expanding the capacity of supported employment programs to serve at least 10 additional persons each year with profound mental retardation, extreme physical disabilities, or severe behavioral difficulties through FY92.
- Identifying and assisting at least two private providers each year through FY92 who volunteer to restructure their programs from sheltered to integrated employment.
- Assist the transition of at least 5 percent of the persons in community experience programs to supported employment each year through FY92.

— Adding 20 new supported employment providers by FY92 (Connecticut Department of Mental Retardation).

An additional objective was to develop a statewide network of individuals who could train supported employment staff by June 1989.

Data in Table 1 present projections of the total number of adults to be served in day services, 1987-92. These data indicated that an estimated 495 new individuals would be served under supported employment beginning in FY88. The data also projected a decline in the number of DMR adults receiving sheltered employment services from private providers.

Table 1
Projected Day Service Levels for Adults
for Fiscal Year 1987 through Fiscal Year 1992

| | Number of Persons Served | | | | | |
|---|---|---|---|---|---|---|
| | FY87 | FY88 | FY89 | FY90 | FY91 | FY92 |
| Private Service Providers: | | | | | | |
| · Supported Employment | 959 | 1,454 | 1,949 | 2,444 | 2,939 | 3,434 |
| · Opportunities for Older Adults | 287 | 409 | 697 | 985 | 1,273 | 1,560 |
| · Sheltered Employment | 3,095 | 3,095 | 2,895 | 2,695 | 2,495 | 2,295 |
| · Community Experience Program | 0 | 171 | 384 | 597 | 647 | 697 |
| · Adult Day Treatment | 455 | 326 | 163 | 0 | 0 | 0 |
| DMR Day Program | 2,480 | 2,258 | 1,999 | 1,799 | 1,599 | 1,399 |
| TOTAL | 7,276 | 7,713 | 8,087 | 8,520 | 8,953 | 9,385 |

Source: From Planning for the Future, 1986-1992, by the State of Connecticut, Department of Mental Retardation, p. 74.

The DMR's plan emphasized the individual supported job model (placement and training of a person in his/her

job with the support of a job coach) over other models of supported employment such as mobile work crews, enclaves, and small enterprises. Departmental data on the various models indicated that the individual supported job model produced higher outcomes with regard to wages and integration. In addition, DMR would continue to review workshop participation in an effort to identify persons who want and can benefit from supported work, and to plan for the transition of these individuals within resource constraints.

## B. Placing a Cap or Moratorium on Expenditures

### 1. Overview

A second strategy involves the establishment of a moratorium or cap on funds expended for sheltered work, work activity and day program services. A state, for example, may place a flat no increase on new funds with or without a provision to annualize the existing amount to adjust for inflation while establishing a specific timetable for reducing the current level of expenditures.

Setting a cap or moratorium on expenditures parallels recent initiatives that place moratoriums on certain types of providers or settings, e.g., caps on the construction and expansion of nursing homes and ICF-MR facilities. It is an effective means for halting the growth of certain services and/or providers, and sets the tone for policy and funding change.

### 2. Example--Connecticut

Efforts in Connecticut illustrate this basic approach. Connecticut's Department of Mental Retardation became responsible in 1980 for administering the Community Work Services Program which through contracts with rehabilitation agencies, activity centers, Associations for Retarded Citizens, and other providers offered vocational and day programs. The bulk of these services were vocational in nature and were provided in segregated settings.

The Community Work Services Program had a FY88 total budget of about $23.8 million of which approximately $19.5 million were state dollars and the balance of about $4.3 million were Title XX Social Service Block Grant funds. About 2,636 persons were to be served under the program at an average cost per person of $9,035.

Because the Community Work Services Program emphasized supported segregated vocational programming, Connecticut's Department of Mental Retardation chose not to request additional funds from the legislature. Consequently, no new people were served and the program's budget was increased only to adjust for inflation. The Department did, however, request new state dollars for supported employment. The next section discusses this strategy.

C. New Monies Earmarked for Supported Employment and the Redistribution of Existing Funds

1. Overview

A third strategy involves the appropriation of new funds for supported employment initiatives and the redistribution of existing funds from sheltered work, work activity and day programs to supported employment services. The provision of new state dollars is a means of both legitimizing supported employment and its underlying philosophy, and of providing incentives for system change.

2. Example--Connecticut

While Connecticut placed a moratorium on funds expended for day services and segregated vocational services under the Community Work Services Program, it also established a Supported Employment initiative with new state funds in July 1985. In part, the impetus for the policy and program direction came from a consent decree that mandated a substantial reduction in the size of the state institution population, and the placement of people in integrated vocational and residential settings.

Under the new Supported Employment initiative plan, over half ($9,420,635) of the total amount ($18,575,000) appropriated for FY88 was to be expended for supported employment services. The balance of the state dollars provided services for older individuals with mental retardation, nonvocational activities aimed at integrating persons into community sites, and adult day treatment services. Of the 1,086 persons targeted for supported employment by June 1988, somewhat over a third were to be in individual placements, another third in enclaves, a fourth in work crews, and 5 percent in small enterprises. The average annual cost per person across all program models was approximately $8,674.

3. Redistribution of Existing Dollars

Currently, substantial federal, state, and local dollars finance traditional vocational and day programs. Systematic change will require not only an infusion of new dollars but also a policy commitment to redistribute the existing dollars. This can be accomplished through planned, scheduled funding reductions to existing service arrangements coupled with a flexibility to redirect those dollars to supported employment. In many instances, public monies encouraged, and created the current system of segregated services. If there is a state policy commitment to effect change, it should include some financial commitment to assist in this transition or conversion process. This will mean that providers such as developmental achievement centers, work activity centers, and rehabilitation facilities will undergo philosophical, programmatic, and other changes in order to continue receiving public funds.

During the transition period, total costs will be higher. Such a change entails start-up or conversion costs along with usual ongoing service costs. In essence, for a period of time two parallel systems will be operating with one phasing down as the other builds. Sufficient monies are needed to cover these conversion costs and afford new providers the opportunity to participate in the emerging system.

To facilitate the conversion process, a state might use federal and state funds flowing through its state agencies to encourage local decision-making bodies to begin a process of reallocating existing dollars. States could use existing funds, e.g., Title VI-C monies, to fund local start-up projects that encourage the reallocation of existing resources. Also, in states where state and local funds fund day service and sheltered work, the state/local cost-sharing ratios could shift to provide higher state shares for supported employment services. States could also make available new funds on the condition that specific efforts to redirect current funds are simultaneously taking place at a local level.

States with a strong county administered service system might provide financial incentives by matching all or a percentage of existing dollars (federal, state, and local) that are redistributed from segregated day and vocational employment to supported employment options.

Several states, including Minnesota, have heavily invested in Medicaid financed adult day programming for persons residing in ICF-MR facilities. While this strategy maximizes federal cost sharing, it also creates a financial disincentive to convert to supported employment options. This conversion change will involve a redistribution of the cost burden to state and local government. There is substantial concern that this financial disincentive may significantly hinder conversion and would consequently impact hardest on those in greatest need, i.e., persons with the most severe disabilities. If careful planning and adequate financial commitment is not made, a "residual" group of persons with severe handicaps may once again be denied opportunities to work in real jobs.

4. Example--Wisconsin

The Division of Vocational Rehabilitation (DVR), Wisconsin Department of Health and Social Services, is attempting to effect system change through the allocation of Title VI-C and Title I dollars. First, DVR allocated a portion of its Title VI-C supported employment services monies for system change projects at the county level. After a request for proposals, projects were awarded annual maximum grants of $20,000 and guaranteed funding for two additional years, i.e., total of $60,000. Most of these monies have been used for hiring job coaches to work with current and new clients on waiting lists. Basically, these projects are "seed money" efforts to encourage redirection of resources from segregated to integrated service settings. The counties in turn made a commitment to continue funding the individuals' Title VI-C dollars.

Second, it is state policy that DVR field offices will minimally match Title VI-C dollars with Title I program dollars.

Third, with approximately $195,000 Title I dollars, DVR funds a supported employment initiative in the Wisconsin Department of Development. This initiative is an effort to provide technical assistance, consultation, and venture capital to demonstrate the private sector's potential for providing employment for persons with severe disabilities.

Finally, DVR is working with Wisconsin Manufacturers and Commerce to conduct surveys, develop a job matching

process, and develop a means to provide information on supported employment to the private sector.

In summary, Wisconsin is using existing public monies in a planned, systematic effort to effect system change at the local or county level and within the business and corporate sector.

## D. Sequential Financing

### 1. Overview

Traditional funding approaches have not provided sufficient incentives to encourage the development of a range of paid employment options. Two major barriers restricting the expansion of service alternatives were:

— Financial support from referring agencies was not based on individual consumer need. Rather, funds were tracked into a limited number of program types. Individualized financial support was not provided. Program payments were based on a "daily rate" regardless of the individual's level of need.

— Monetary support was not provided for follow-along job maintenance. There was a paucity of interagency agreements that might have provided ongoing and uninterrupted support services (Hill et al, 1987, p. 15).

As previously noted, one barrier to supported employment has been the lack of ongoing support to the employee and employer based on individual consumer need. A strategy to address the needs of people with severe disabilities is sequential or segmented financing. This approach attempts to merge or pull together funding from two or more sources to cover the costs of both time-limited and ongoing service needs. These arrangements can be delineated in state and local interagency agreements. Such agreements may state how services for a specified number of individuals will be financed and/or indicate specific financing arrangements on an individual basis.

For example, vocational rehabilitation dollars might fund the initial training and stabilization costs while dollars from state or local human services, mental retardation and mental health agencies, and other sources would fund the ongoing support services. Funds for

these ongoing support services may come from a redistribution of existing dollars (often state monies) used to fund day activities, work activity and sheltered work programs along with some new public dollars. This strategy requires interagency cooperation and financial commitments by the agencies involved.

One interagency approach for funding support employment was initiated in Virginia. This model is described below.

2. Example--Virginia

The model described below comes from efforts begun in 1978 by the Virginia Commonwealth University (VCU). In the mid-1980's, VCU became the site for a federally supported Rehabilitation Research and Training Center (RRTC).

Figure 2 presents an illustration of their interagency model which included three stages: an initial phase; a stabilization phase; and a follow-up and maintenance phase. Funding for the first two phases came from vocational rehabilitation, while the third phase was funded through departments of mental retardation and mental health and other sources. RRTC suggested that a portion of the monies for the third stage come via a redistribution of dollars currently expended for day programming.

The first two phases involved initial site training and the support necessary for job maintenance up to the point where the need for staff support levels off. The state rehabilitation agency could reopen the case of a person in supported employment if needed, e.g., the employee's need for staff support increases or a person becomes unemployed and requires additional placement and training.

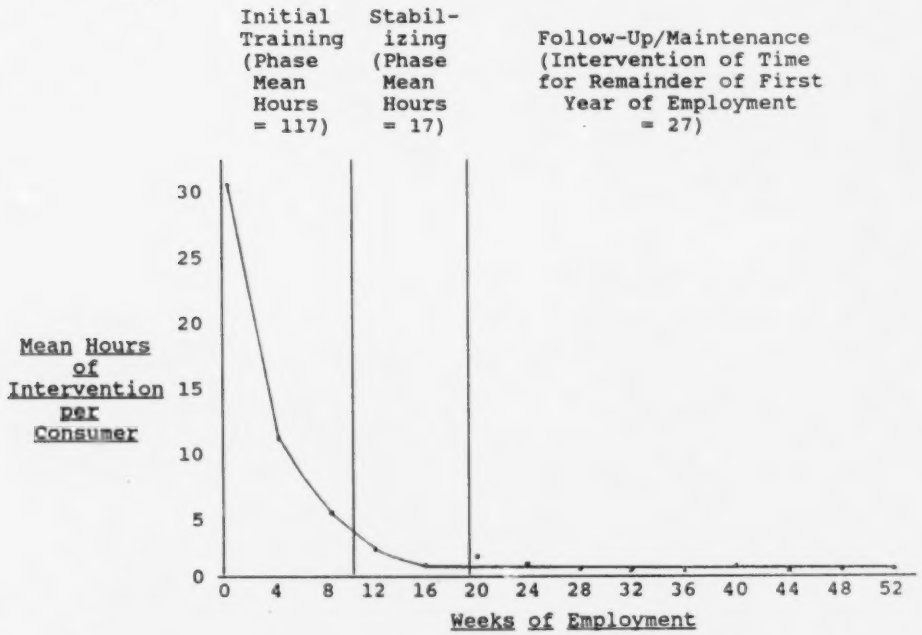
The third phase consisted of follow-up and maintenance services which may continue indefinitely based on individual need. Funding for this ongoing support was to be provided by state and local departments of mental retardation and mental health, state and local developmental disabilities agencies, and other organizations that generally support ongoing facility programs.

The provision on ongoing support services was critical to the success of integrated employment and interagency cooperation was essential for follow-along to take

place. The level of services varied from intensive to minimal. The types and nature of these support services depended on the needs of the individual.

Figure 2 also presents the nature of the interagency cooperative process in Virginia. In the RRTC model, initial training was completed when staff time necessary to maintain the person in the job dropped below 20 percent of the employee's working hours for two consecutive weeks. The stabilization phase was completed when staff time was no longer needed for the person's continued employment; or for individuals with more severe job incompatibilities, when staff time was below 20 percent of the employee's working hours for eight consecutive weeks with the exception of acute, low frequency need for increased time.

Figure 2
An Interagency Model: Time-Limited to On-Going Services Under a Program of Supported Employment[a]


Initial Training (Phase Mean Hours = 117)
Stabil-izing (Phase Mean Hours = 17)
Follow-Up/Maintenance (Intervention of Time for Remainder of First Year of Employment = 27)
Mean Hours of Intervention per Consumer
30
25
20
15
10
5
0
0 4 8 12 16 20 24 28 32 36 40 44 48 52
Weeks of Employment

[a]Based on 206 consumers in 315 positions placed through Rehabilitation Research and Training Center during the period of May 1978 through December 1985.

Source: From "Supported Employment: An Interagency Funding Model for Persons with Severe Disabilities" by M. Hill, J. W. Hill, P. Wehman, G. Revell, A. Dickerson, and J. H. Noble, Jr., July/August/September 1987, Journal of Rehabilitation, p. 18.

## E. Pooling of Monies from Several Sources

### 1. Overview

Another approach to finance supported employment involves "pooling" of existing monies from several state agencies and funding sources, with one agency serving as the fiscal agent. Such an approach can help: (a) ensure ongoing involvement of various agencies given their financial commitments, (b) ease administration for local service providers, (c) ensure that local sites have uniform standards and goals (Laski, 1987), and (d) encourage interagency cooperation.

Limitations of this option include: (a) problems associated with transferring monies to meet administrative requirements; (b) varying financial, eligibility, and regulatory requirements of the state agencies and funding sources; (c) amount of staff time needed to coordinate such an initiative; and (d) potential instability of ongoing funding by participating agencies (Laski, 1987).

Pennsylvania's experience with this approach is briefly described below.

### 2. Example--Pennsylvania

In 1986-87 Pennsylvania established a Supported Employment Task Force composed of several state agencies that cooperatively provided $1,210,000 to fund five supported employment projects. Memberships of the task force included the Office of Mental Health and Office of Mental Retardation, Bureau of Special Education, Bureau of Vocational Education, Bureau of Blindness and Visual Services, Bureau of Job Training Partnership, and the Office of Vocational Rehabilitation. The Office of Vocational Rehabilitation served as the fiscal agent.

Under this initiative, $4.2 million funds 17 county-based projects. Funding sources included a state appropriation of $829,000 (annual figure) and new dollars from the involved state agencies. The initiative has encouraged state interagency cooperation and provided for a degree of control and uniformity across projects.

While the state continued to provide third year funding for these projects, it was hoped that funding would eventually become locally based. This goal may require

allocation of new monies along with local decisions to redirect or reallocate existing dollars. Problems experienced by the initiative included administrative and fiscal difficulties in managing monies from several funding sources and convincing local level agencies to "buy into" the projects.

## F. Targeted Efforts to Maximize Use of Financing Provisions Under Existing Programs

### 1. Overview

As discussed in previous sections, several public programs, including the Targeted Job Tax Credit, Job Training and Partnership Act (JTPA), the Social Security Disability Insurance program, and the Supplemental Security Income program, contain provisions that can help finance directly or indirectly supported employment initiatives. Access to these resources, however, requires a targeted, ongoing, systematic effort that is statewide in scope. One mechanism for accomplishing such an initiative involves the establishment of an organization or entity for providing technical assistance, education, training, advocacy, etc., to state and local agencies, businesses, advocacy groups, individuals, and others. A later section of the report discusses such an organization.

### 2. Examples

South Carolina: The South Carolina Department of Mental Retardation (DMR) has used state monies and some JTPA federal dollars to fund a job coach program. During 1988 the DMR received a contract of approximately $92,000 from the Governor's Office of Employment and Training. These JTPA Title II-A basic training funds were used by DMR to pay local providers (subcontractors) such as adult activity programs, work activity centers and sheltered workshops for salary and benefits of on-the-job training positions. In 1988, South Carolina had seven JTPA service delivery areas (SDAs) with six of these covering 16 of the state's 46 counties. The seventh was referred to as "the balance of the state SDA." The JTPA dollars for the on-the-job training positions came from this SDA's private industry council (PIC).

DMR used state monies to fund staff for job development and follow-up. State dollars covered salary, fringe,

transportation, supplies, equipment, and related expenses. Since JTPA federal monies were not sufficient to cover all of the subcontractor projects (currently about five out of 21 projects involve JTPA dollars), DMR also used state dollars to pay for the additional on-the-job training positions.

The state DMR monies for these positions originally came from state dollars used for center based programs, i.e., adult activity, work activity and sheltered work programs). In 1987-88, as a result of an appropriation request for state dollars to fund supported employment, monies were appropriated as part of a larger agency request.

Pennsylvania: Several state agencies in Pennsylvania pooled dollars to fund county-based supported employment projects. The Office of Vocational Rehabilitation in the Department of Labor and Industry served as the fiscal agent. One source of federal funds initially came from JTPA. In FY88, the state used $400,000 of its state administration allocation under JTPA's Title II-A to help fund these projects. The individuals who participated in the supported employment projects qualified as JTPA participants. Most individuals who were eligible for vocational rehabilitation services met these requirements.

Montana: Seven years ago supported employment began in Montana with one program which emphasized individual job placements. By 1988, a minimum of 151 people had been placed in individual jobs and the number of service providers increased from one to fifteen.

From 1986-88, the Montana Employment Project (MEP), funded by the Administration on Developmental Disabilities and the Montana Supported Employment Project, funded from 1986-91 by the Federal Office of Special Education and Rehabilitative Services (OSERS), assisted in the development of supported employment through advocacy and education, monetary awards, and technical assistance to service providers who wished to offer supported employment, and monetary awards to businesses as an incentive to hire persons with a developmental disability.

As the technical assistance arm of this statewide effort, MEP provided assistance to providers, employers, educators, consumers, families, and others. Their

experience convinced MEP that a manual was needed to address issues raised by the people MEP served. The manual, Supported employment program development: Integration of persons with disabilities into the mainstream of work and leisure, covers program development, responsibilities of the job coach, marketing tools and strategies, preparation for job development, and transition from school to work. The manual also reviews Social Security Disability and Supplemental Security Income programs including the development of Plan for Achieving Self Support (PASS) account application form and resources. Information given in the manual is extensive and is intended to serve as a guidebook for persons who want to develop or refine supported employment programs.

G. Interagency Agreements

Numerous states are either developing or currently implementing interagency agreements for supported employment efforts. In some instances they involve only state agencies which participate in supported employment. In other cases, the agreements are made between state and local agencies, e.g., between a field office of the state vocational rehabilitation agency and a county social service/welfare agency or board.

Areas addressed through interagency agreements may include:

— Overall mission, underlying values and philosophy, and goals of supported employment.

— Statewide and local policy objectives or benchmarks.

— Supported employment definition.

— Service definitions.

— Target population definitions.

— Eligibility criteria.

— Referral process including delineation of roles and responsibilities.

— Services coordination or case management process including delineation of roles and responsibilities of each party; specification of case responsibility.

— Types of information/data to be shared and process for sharing.

— Financial commitments.

The level of specificity and areas addressed by such interagency agreements vary. At a state level, the agreements may contain relatively general statements on mission and broad-based goals, sharing of data, and expressions of willingness to cooperate on supported employment efforts. On the other hand, state level interagency agreements could address statewide policy objectives to be achieved within specified time frames, e.g., a target number (or percentage) of persons to move out of day programs, work activity centers, and sheltered workshops into supported employment programs by the end of the next biennium, or a targeted amount of dollars or percentage of existing dollars that will be redirected to supported employment from segregated day and sheltered work settings.

Interagency agreements can also be used to establish state and/or local teams or committees responsible for developing and implementing the specific process and procedures delineated in the agreements. Finally, to encourage the use of interagency agreements and to implement desired strategies, the legislature or a state administrative policy could allocate new monies to the local level contingent upon the development and operationalization of interagency agreements that address the desired objective, e.g., specific dollar commitments to implement a sequential financing arrangement.

While general interagency agreements can set the tone for cooperative efforts, clear agreements that contain more substance and specific arrangements, financial commitments, and time lines have greater potential for effecting systemic change. Effective interagency agreements cut across turf issues and require agency staff who have not traditionally worked together to begin to hammer out their differences and negotiate arrangements that place first priority on the needs of consumers.

## H. Initiatives to Provide Training, Technical Assistance and Business Development Assistance

### 1. Overview

Several states have established an entity either inside or outside of state government to address a range of

technical assistance, training, and financing issues. These entities have had various legal and organizational status, e.g., quasi-public corporation, institute located within a state agency but operating separately from the parent agency, nonprofit organization or corporation. The activities carried out by them included providing technical assistance and training on supported employment to state and local governmental agencies and service providers, developing new jobs in existing businesses for persons with severe disabilities, and developing new or expanded business ventures that employ both nondisabled workers and persons with severe disabilities. Funding for such ventures has involved a state appropriation, discretionary monies from several state agencies, and monies received through fee-for-service arrangements.

These initiatives provided a focal point and have the potential of being a powerful and effective means for accomplishing training, technical assistance, and business development activities related to supported employment. A summary of three such efforts is presented below.

2. Examples

Wisconsin: Beginning in July 1968, the Wisconsin Division of Vocational Rehabilitation, Department of Health and Social Services and the Wisconsin Community Development Finance Authority (WDCFA) began a joint venture called the Supported Employment Initiative (SEI). This cooperative effort aimed at demonstrating the private sector's potential to provide employment for individuals with severe developmental disabilities and serious and persistent mental illness. In July 1988, WCDFA ended operations and the Supported Employment Initiative transferred to the Wisconsin Department of Development.

SEI's objectives included: (1) the creation of new jobs in existing businesses for individuals with severe disabilities, (2) the development of new businesses that will employ individuals with severe disabilities, (3) the creation of agencies that will provide supported employment services for persons working at supported employment sites, and (4) the provision of follow along technical assistance to projects developed by SEI staff. As of 1988, the third objective was being handled by the Supported Employment unit within the Division of Vocational Rehabilitation.

SEI staff engage in a number of activities including efforts to involve the corporate sector in both identifying and developing job openings for supported employees. They attempt to access larger employers either singly or through business consortiums.

To develop new business ventures or to expand the number of jobs in existing businesses for both nondisabled workers and persons with severe disabilities, SEI issues each year a "Request for Business Ideas." Proposals for business start-ups, spinoffs or expansions come from community-based organizations such as community action agencies, rehabilitation facilities, community economic development corporations, and private entrepreneurs. A feasibility analysis is conducted on the proposed business ideas with those selected receiving technical assistance in developing a business plan. If it then appears that the venture will be successful, SEI will provide further technical assistance in securing financing and setting up the business. Financing could come through Wisconsin Community Capital, a subsidiary of the Wisconsin Housing and Economic Development Authority. These monies, however, are for loans to business ventures, not for supported employment efforts. Other financing sources include the Community Development Block grants and local banks.

As of 1988, SEI received approximately $190,000 annually from the Division of Vocational Rehabilitation. These Section 110 dollars supported SEI staff and provided capital to award venture development grants of $2,000 to $5,000 to the projects selected under the Request for Business Ideas activity. These grants are not used for capitalizing businesses, but rather for the development of a business plan. Activities supported by these venture development grants included obtaining legal advice, hiring accounting expertise, conducting market research, etc. The grants brought in community services by frequently requiring a minimum 25 percent match. This match was typically in-kind in nature and involved the provision of local expertise to the project.

An example of an enterprise recently begun involves a rehabilitation facility that, through a for-profit subsidiary, opened up a Dairy Queen franchise.

Colorado: In early 1986, the Rocky Mountain Resource and Training Institute (RMRTI) was established by the

Division for Developmental Disabilities (DDD), the Colorado Division of Rehabilitation and the Colorado Department of Education. While it was located within a state agency in order to facilitate personnel and other operating activities, it operates as a separate institute.

RMRTI serves as a focal point for technical assistance and training around supported employment to state and local agencies and service providers. Training at the local level includes job coaching, strategic planning, contract bidding, etc. RMRTI also manages and coordinates a statewide information and referral system (using an 800 number) on services for persons with developmental disabilities, manages and coordinates a transition from school to work initiative, and manages the OSERS grant which began in the summer of 1986. Increasingly, RMRTI staff are moving into policy issues and thereby becoming a focal point and forum for examining and addressing financing and related policy concerns.

RMRTI also serves clearinghouse and broker functions. It employs a diverse staff in order to accommodate the range of technical assistance, training, add other activities requested by state and local agencies. If needed, additional expertise is obtained through contracted arrangements.

The board of RMRTI is comprised of the heads of key state agencies. In order to maintain strength and momentum, board members may not have other staff represent them at board meetings.

As of 1988, RMRTI was under a rehabilitation establishment grant and had over a dozen sources of funding. The goal was to eventually obtain state line item funding.

Massachusetts: The Bay State Skills Corporation (BSSC) is a quasi-public corporation in Massachusetts that was established in 1981. BSSC awards grants to educational institutions that work with private business to train individuals for jobs in high growth areas. In essence, BSSC serves a broker function between education and business. This approach differs from other initiatives by focusing first on labor force needs rather than on people who need employment. After determining the labor force needs, BSSC assesses the types of employee training necessary to meet these needs and, finally, attempts to identify individuals who will participate in the

training. Training is not limited to those individuals who are unemployed or poor.

BSSC receives a state line item appropriation. It funds basic and entry level training, retraining, upgrade training, and advanced degree level training. Businesses participate in planning, designing and implementing the education and training programs to insure that the programs meet their needs. Businesses in turn contribute to the program through various forms of in-kind assistance, e.g., consultation on curriculum, space, equipment).

BSSC has also been responsible for other activities or projects aimed at specific groups of people:

— A supported work program for persons with mental retardation that provides time-limited training in job readiness and placement assistance aimed at moving people into unsubsidized employment. This program, which was established by the legislature in 1981, was moved to the Massachusetts Rehabilitation Commission in 1987.

— A Displaced Homemakers program that funds regional multipurpose displaced homemaker centers that provide counseling, training, job seeking skills, and referral.

— Training programs for Aid to Families with Dependent Children clients in cooperation with the Department of Public Welfare.

— Training programs for individuals with specific employment needs such as public assistance clients, unemployed disadvantaged youth, persons who have lost their jobs due to plant closing or industry layoffs.

As a quasi-public corporation focusing on training, BSSC can serve as a base for supported employment initiatives across a state.

## III. OUTLINE OF STRATEGY AREAS FOR MINNESOTA

### A. Overview

Over the past few years, there has been a shift away from

vocational and employment services provided in segregated settings toward strategies that provide on-the-job training, ongoing support and employment in integrated settings.

Many states are utilizing various mechanisms or approaches in an attempt to alter the balance and direction of the current vocational and employment service systems. The strategies identified and reviewed in this report include both direct and indirect approaches to financing supported employment. Section B contains a recap of the next steps that Minnesota can take.

## B. Possible Next Steps

### 1. Uniform Working Definitions

Working definitions of supported employment and severe disability are needed. Presently, some definitions do exist such as the Community Social Service Act (CSSA) service definition of supported employment, the definition set forth under the 1986 amendments to the federal Rehabilitation Act, and the definition developed in state statute. It is important to develop working definitions that are uniform and mutually agreed upon for purposes of financing and reimbursement except when federal regulations require a different definition.

### 2. Overall System Goals and Objectives

In addition to the development of uniform working definitions, state and local level planning is needed to address the following areas as they relate to supported employment: underlying values and philosophy, mission statement, target populations to be served, overall goals, and specific benchmarks or objectives for reducing the number of individuals in segregated settings and increasing the number in supported employment.

### 3. Moratorium or Cap on Existing Expenditures

Presently, substantial dollars from several federal, state, and local sources finance day and vocational services in segregated settings. In order to begin the process of creating a more balanced service delivery system, and financing and reimbursement structure, the legislature may establish a moratorium or cap on dollars expended for services provided in segregated settings.

4. New Monies for Supported Employment

In addition to setting a moratorium or cap on funding for day programming, work activity, and sheltered work services, the legislature could appropriate new dollars for supported employment initiatives. This appropriation will provide the funds needed to begin converting the existing system of vocational and day programs to a system emphasizing integrated employment opportunities. The provision of new state funds legitimizes supported employment and its underlying philosophy and provides incentives for system change.

5. Redirection of Existing Dollars

Substantial system change will require not only an infusion of new funds, but also a policy commitment to redirect existing funds. This can be accomplished through planned, scheduled reductions in monies going to existing service arrangements coupled with a flexibility to redirect those dollars to supported employment.

During the transition period, total costs will be higher. Such a change entails start-up conversion costs along with usual ongoing service costs. In essence, for a period of time two parallel systems will be operating with one phasing down as the other develops. Sufficient monies are needed to cover these costs and afford new providers the opportunity to participate in the emerging system.

6. Targeted Services to Persons in Greatest Need

Projects across the United States have demonstrated that individuals with severe disabilities can succeed at integrated work settings. As supported employment expands, public funds must be targeted to those with the most severe disabilities. Evidence from across the country suggests, however, that a "creaming" process is taking place. That is, persons with low or moderate disability are receiving most supported employment placements. While this approach helps to ensure success for the service provider, employer, and client, it creates one of the typical deinstitutionalization traps encountered in pact decades, i.e., individuals with the most severe disabilities are the last to leave traditional programs.

A related rationale used to deny access to supported employment of persons with severe disabilities is one

which argues that these persons will always need special facilities and segregated programs. This rationale, in essence, incorrectly labels these individuals as a "residual" population. Several states, including Minnesota, have heavily invested in Medicaid financed adult day programming for persons residing in ICF-MR facilities. While this strategy maximizes federal cost-sharing, it also creates a financial disincentive for supported employment options because the conversion will involve a redistribution of the cost burden to state and local government. There is substantial concern that this financial disincentive may significantly hinder conversion and would impact hardest on those in greatest need, i.e., persons with the most severe disabilities. If careful planning and adequate state and local financial commitment is not made, persons with severe disabilities may once again be the last to leave traditional programs. Thus, it is essential that new and redirected funds are also targeted to persons with the most severe disabilities.

7. Sequential Financing

Often a supported employment project has two or more funding sources. One option for dealing with the fragmented financing is to pool funds from various sources and them award these monies through a state interagency task force. This is the approach Pennsylvania has tried. Another option is to allocate new dollars to only one state agency, e.g., Connecticut. Both of these options have strengths and limitations.

Sequential financing requires interagency cooperation and agreements which include financial commitments by the agencies. Such agreements may be aimed at providing services for a specified number of individuals or indicate financing arrangements on an individual basis. This approach can be an effective means to ensure that all essential supported employment components are provided.

8. Interagency Agreements

Numerous states are either developing or currently implementing interagency agreements regarding supported employment efforts. In some instances, they involve only state level agreements across two or more agencies. In other cases, interagency agreements are made at the local level, e.g., between a field office of the state

vocational rehabilitation agency and a county human services agency or a school district.

The level of specificity and areas addressed in inter-agency agreements vary significantly. While general interagency agreements can set the tone for cooperative efforts, clear agreements that contain more substance and specific arrangements, financial commitments and timelines have a greater potential for affecting systemic change. Effective, meaningful interagency agreements cut across agency boundaries and require agency staff who have not traditionally worked together to solve differences and negotiate arrangements that place first priority on the needs of people with disabilities.

9. Maximizing Use of Financing Provisions under Existing Programs

Several public programs already include provisions that could help finance (directly or indirectly) portions of supported employment initiatives. Some states have, for example, attempted to tap the resources under the Job Training and Partnership Act, the Targeted Jobs Tax Credit, Social Security Disability Insurance (SSDI) program, and the Supplemental Security Income (SSI) program. The provision under SSDI and SSI programs are particularly complex. Access to these resources may require a targeted and systematic effort.

Some efforts to tap current funding sources are currently underway in Minnesota. It is recommended that a systematic, statewide effort be undertaken to provide technical assistance, education, training, etc., to increase the utilization of these resources. Such an effort might include the establishment of a quasi-public corporation or some other entity which would work with state and local agencies, businesses, advocacy groups, and individuals. Given that the types of benefits under these programs vary, e.g., tax credits for employers versus benefits for employees, the nature of work activities, organizations and individuals involved would also vary.

10. Maximizing Use of SSI and SSDI Program Provisions

Given the particular complexity of provisions under the SSI and SSDI programs, a separate set of recommendations are presented below.

While some limitations are due to the enabling legislation, such as the substantial gainful activity (SGA) provision under SSDA, others are related to low utilization rates caused by a general lack of specific knowledge of the incentives, need for advocacy services, inconsistent knowledge of the work incentives among Social Security Administration staff, fear of loss of benefits, distrust of the Social Security Administration, and lack of provider staff time to assist employees in the application process.

Given this context, a strategy aimed at providing technical assistance to persons who have disabilities, their families, special education teachers, vocational counselors, and providers is recommended.

Recommendations for increasing the utilization rate include:

— The development and distribution of an assessment instrument which helps analyze the needs and abilities of persons with disabilities and leads to the application of relevant work incentives.

— The development and distribution of PASS account application forms as an incentive whose application process requires input from several sources.

— The development and distribution of a creative list of impairment-related work expenses which may prompt people to think of additional impairment related work expenses.

— The establishment of an organization to provide advocacy and technical assistance related to consumer needs that would augment current education efforts provided by the Social Security Administration and other agencies. This organization would provide education, support, and technical assistance to persons who have disabilities, their families, and their employers. Advocates would assist in the application and redetermination process, and would work collaboratively with families, employers, and Social Security Administration staff to ensure greatest possible use of the work incentives.

— Further education of senior high school special education teachers regarding the SSI program so that transitions can be made from employment while in school to eligibility for SSI and community supported employment at graduation.

— Continued financial support for legal advocacy organizations and educational efforts.

— Support of legislative efforts to amend the SSDI work incentives to include incentives comparable to 1619(a) and 1619(b) under SSI.

11. Minnesota Employment and Economic Development Program

The Minnesota Employment and Economic Development Program (MEED) was established by the 1983 Legislature (the original name was the Minnesota Emergency Employment Development Program). Essentially, MEED provides a financial incentive for employers to both hire and retain people served under the program.

Currently, four groups receive priority within the eligible population: people in households with no other income; persons eligible for General Assistance (GA); persons eligible for Aid to Families with Dependent Children (AFDC); and members of farm families in financial need. Eighty percent of the funds are targeted for persons in these priority groups.

The wage subsidy applies to both private and public sector jobs with priority given to those in the private sector. Presently, wage subsidies going to temporary jobs with public or nonprofit agencies are not to exceed 24 percent. Also, priority is given to certain types of businesses such as those that are new, expanding, or involve sales outside of Minnesota.

Private sector employers must retain the employee on the job for one year after the wage subsidy ends or pay back a portion of it. Public sector employers must retain participants for six months. There are no pay back provisions for these employers.

The Legislature appropriated $18 million for July 1987 through June 1989. Over the years, the Legislature has decreased the appropriation levels (1983, $70 million; 1984, $30 million; 1985, $27 million). These reductions

are due in part to improvements in general economic conditions including a drop in the unemployment rates. In addition, questions have been raised regarding MEED's effectiveness in creating new jobs and encouraging economic development. Over the years, the Legislature has made changes in MEED to address some of these concerns.

The program contains a provision allowing a wage subsidy up to a maximum of 1,040 hours over a 52-week period for participants who are in a job training program and are placed in a private sector job. This provision may provide opportunities for persons with severe disabilities interested in an individual placement involving a job coach.

12. Organization to Provide Technical Assistance, Training, and Business Development Assistance

One initiative implemented in several states is the establishment of an organization either inside or outside of state government to address a range of technical assistance, training, and financing issues. Such an organization could be under various legal and organizational arrangements, e.g., quasi-public corporation, institute located within a state agency but operating relatively separate from the parent agency, nonprofit organization, or corporation.

Activities conducted by this organization may include the provision of technical assistance and training on supported employment to state and local governmental agencies and service providers, the development of new jobs in existing businesses for persons with severe disabilities, and the development of new or expanded business ventures that will employ both nondisabled workers and persons with severe disabilities.

13. Minimum Data Set

While available data provide important insights into the characteristics of persons receiving services, utilization patterns, and the costs and benefits of various day program and employment options, there exists a dearth of policy-relevant data.

In order to better assess the benefits and costs of various supported employment initiatives, and to compare various day activity and vocational and employment programs, it is essential that a minimum uniform set of

information is collected across service providers and financing sources. Such an effort requires that appropriate state and local agencies agree upon a uniform, minimum data set.

14. Service Providers and Employers

As day program and vocational and employment services shift away from segregated settings toward supported employment strategies, it is recommended that the Legislature take action to encourage entry of new providers and ensure access to public dollars.

Also, while human service and vocational agencies may provide training and ongoing support, the authority for employment should generally be vested with the private sector.

15. The Medicaid Home and Community Quality Services Act of 1989

If enacted, the Medicaid Home and Community Quality Services Act of 1989 would provide Medicaid reimbursement for certain community and family support services to eligible persons with disabilities. The proposed legislation substantially changes and expands the Medicaid program by limiting Medicaid expenditures for institutional care and by authorizing Medicaid reimbursement for four mandatory services (specialized vocational services including supported employment, individual and family support services, case management services, and protective intervention) and a wide range of optional services.

These services are aimed at allowing people with severe disabilities to reside in communities rather than being limited to Medicaid services provided in ICF-MR facilities or under the Section 2176 Home and Community-Based Waiver programs. Services would be available to both the individual with disabilities and his/her family. It is recommended that support be given to efforts to amend the Medicaid program as proposed in the above legislation.

## V. REFERENCES

Beckley, M. A., Burrus, D. G., and Edgar, B. (1987-1988). Personal communication and documents from the State of Vermont.

Coty, T. and Galiette, J. (1987-1988). Personal Communication and documents from State of Connecticut.

Commonwealth of Pennsylvania, Office of Vocational Rehabilitation. (1987). Pennsylvania supported employment program 1986-1987 fiscal project year.

Connecticut Department of Mental Retardation. Planning for the Future, 1988-1992 (five-year plan).

Coover, V., Clubine, G., and Geisler, A. 1987-1988. Personal communication and documents from the Commonwealth of Pennsylvania.

Davis, S. and Holley, I. (1988). Personal communication (South Carolina).

Federal Register, (1987, August 14).

Fitch, L. G. Personal Communication (1988) and documents from Bay State Skills Corporation.

Gettings, R. M. and Katz, R. E. (1987, April). Supported employment: Federal policies and state activitieis related to integrated work opportunities for persons with developmental disabilities. Alexandria, VA: National Association of State Mental Retardation Program Directors.

Grant, R. and Hill, J. (1988). Personal communication and documents from the Commonwealth of Virginia.

Hill, M., Hill, J. W., Wehman, P., Revell, G., Dickerson, A., and Noble, J. H., Jr. (1987). "Supported Employment: An Interagency Funding Model for Persons with Severe Disabilities," in Journal of Rehabilitation, July/August/September, p. 18.

Kidder, S., Strom, B., Verstegen, D., Pratt, J. (1987-1988). Personal communication and documents from the State of Wisconsin and Dane County.

Laski, F. (1987). Personal communication and unpublished materials, The Center on Human Policy, Syracuse University, Syracuse, New York.

Laski, F. and Shoultz, B. (October 1987). "Supported employment: what about those in Medicaid-funded day treatment and day activity centers?" in TASH Newsletter, pp. 5-6.

Mank, D. M., Rhodes, L. E., and Bellamy, G. T. (1986). "Four supported employment alternatives," in Pathways to Employment for Adults with Developmental Disabilities, William E. Kiernan and Jack A. Stark (eds.). Baltimore, MD: Paul H. Brookes Publishing Company.

McCarty, K., Kelly, M., and Schilling, R. 1988. Personal communication.

Montana Employment Project. (1987). Supported employment program development: Integration of persons with disabilities into the mainstream of work and leisure, McCarty, W., Fleming, and J. Johnson, (eds.).

Rehabilitation Research and Training Center. (1987). Competitive employment for persons with mental retardation: From research to practice, Vol. II. Paul Wehman, Ph.D.; John Kregel, Ed.D.; Michael S. Shafer, M.A.; & Mark L. Hill, M.S., Ed.D. (eds.). Richmond, VA: Virginia Commonwealth University.

St. Louis, D. and Laisure, M. (1988). Personal Communication Colorado).

Virginia Commonwealth University. (1978(?))

Washington State Department of Social and Health Services, Division of Developmental Disabilities. (1986, November). 1987-89 guidelines for county developmental disabilities services.

Wehman, P. (1986). Supported employment for persons with severe disabilities. Journal of Applied Rehabilitation Counseling, 17(4), pp. 26-30.

Whitehead, C. W. (1987). Personal communication and unpublished materials. Washington, DC: Employment-Related Services.

Wieck, C. (1988). "The transition to productive employment, legal and policy issues," in Transitions to Adult Life for People with Mental Retardation, Principles and Practices, Barbara L. Ludlow, Ann P. Turnbull, and Ruth Luckasson (eds.). Baltimore, MD: Paul H. Brookes Publishing Company, pp. 215-231.

Wisconsin Guidelines for the Development of a Cooperative Agreement, (19__).

Yowell, T. (1987-1988). Personal communication and documents from the State of Washington.

Prepared by:

Sharon K. Patten, Ph.D., Senior Fellow
and
Mary Boom, M.A., Consultant

With the Assistance of:

Scott Graves and Moo Sung Chung,
Research Assistants

Hubert H. Humphrey Institute of Public Affairs
University of Minnesota
Minneapolis, Minnesota 55455

Edited by:

Thomas Zirpoli
Special Education
College of St. Thomas
St. Paul, Minnesota

**ACKNOWLEDGMENTS**

This Policy Analysis Paper summarizes major sections of a report prepared for the Governor's Planning Council on Developmental Disabilities, Minnesota State Planning Agency under a contract awarded in 1986. Numerous individuals in Minnesota and throughout the United States were contacted during the course of the project. These individuals contributed invaluable information, materials, and technical expertise on various aspects of the study. In addition to Minnesota, the study particularly focused on supported employment efforts in Connecticut, Colorado, Massachusetts, Michigan, Montana, Oregon, Pennsylvania, South Carolina, Vermont, Virginia, Washington, and Wisconsin.

The Policy Analysis Series is published by the Minnesota Governor's Planning Council on Developmental Disabilities, State Planning Agency.

Roger A. Deneen, Chair--Colleen Wieck, Ph.D., Director.

The purpose of this series is to improve communication among state and local agencies, service providers, advocates, and consumers on timely issues. We encourage reader participation by giving us feedback on your ideas and perceptions. This paper may be cited:

Minnesota Governor's Planning Council on Developmental Disabilities. Policy Analysis Series Paper No. 30: Financing of Supported Employment for Persons with Severe Disabilities. St. Paul, MN: Developmental Disabilities Council, State Planning Agency, January 1990.